

Office of the
Legislative Fiscal Analyst

FY 2005 Budget Recommendations

Joint Appropriations Subcommittee for
Capital Facilities and Administrative Services

Department of Administrative Services
Finance - Mandated

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1.0 Summary: Division of Finance - Mandated Expenditures

Each year the Legislature funds items that impact several agencies, solve problems that don't apply to any specific agency, or pose a conflict of interest to agency management. For these programs, the Legislature directs the Division of Finance to administer payment under rules established for each appropriation. In the past, the Legislature funded Y2K, critical land issues and inmate issues by placing the funds in dedicated accounts managed by the Division of Finance.

The Division manages expenditures as provided in law for each fund, but is not empowered to make policy decisions regarding funding in the Mandated sections.

The *Finance – Mandated* FY 2005 budget recommendation includes the following items:

- ▶ LeRay McAllister Critical Land Fund
- ▶ Navajo Trust Fund (Information Only)
- ▶ Post Conviction Indigent Defense Fund

The Legislature moved the Post Conviction Indigent Inmate Defense Fund to its own line item two years ago to ensure that funds were not transferred during the year to other programs. For purposes of budget recommendations, the program will continue to be tracked in the Finance-Mandated Line Item but will be shown separately after the 4.0 table.

	Analyst FY 2005 Base	Analyst FY 2005 Changes	Analyst FY 2005 Total
Financing			
General Fund	482,600		482,600
Total	<u>\$482,600</u>	<u>\$0</u>	<u>\$482,600</u>
Programs			
LeRay McAllister Critical Land Conservation Fund	482,600		482,600
Total	<u>\$482,600</u>	<u>\$0</u>	<u>\$482,600</u>
FTE/Other			

2.0 Issues: Division of Finance - Mandated Expenditures

2.1 LeRay McAllister Critical Land Fund

The LeRay McAllister Fund provides money to match with local and non-profit groups for the preservation of open space. The Division of Finance allocates the Fund's appropriation in four quarterly payments, maximizing interest earnings for the General Fund. During the 2002 Special Session budget process the Legislature made significant reductions to LeRay McAllister Fund. Last year the Legislature demonstrated a commitment to long term planning by continuing funding in the face of a difficult budget year.

3.0 Programs: Division of Finance - Mandated Expenditures

3.1 LeRay McAllister Critical Land Fund

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
General Fund	482,600	482,600	482,600	
Total	\$482,600	\$482,600	\$482,600	\$0
Expenditures				
Other Charges/Pass Thru	482,600	482,600	482,600	
Total	\$482,600	\$482,600	\$482,600	\$0
FTE/Other				
*Non-state funds as estimated by agency				

The creation of LeRay McAllister Critical Land Conservation Fund (CLCF) allows non-profit organizations, the Department of Agriculture and local governments access to funds for open space preservation. Money from the CLCF must be used to preserve or restore open lands and agricultural lands. Generally, municipal parks, ball fields, and other types of developed, active recreation areas are not critical lands as defined by the Quality Growth Act.

The initial \$100,000 appropriation increased to \$2.75 million in one-time funds for Fiscal Year 2000. In Fiscal Year 2001 the Legislature made those funds ongoing but FY 2002 and 2003 budget pressures necessitated a re-prioritization of expenditures, ultimately reducing the program to \$482,600 in ongoing funds.

	Critical Land Financing				
	General Fund	Pacificorp	Park Sale	Interest	FY Total
FY 1999	\$100,000		\$80,000	\$10,238	\$190,238
FY 2000	2,750,000	\$311,760		174,472	3,236,232
FY 2001	2,750,000			260,505	3,010,505
FY 2002	2,037,200			64,165	2,101,365
FY 2003	482,600			26,299	508,899
FY 2004	482,600				482,600
FY 2005 (rec.)	482,600				482,600
Total	\$9,085,000	\$311,760	\$80,000	\$535,679	\$10,012,439
<i>Five Year Avg.</i>	<i>\$1,297,857</i>	<i>n/a</i>	<i>n/a</i>	<i>\$107,136</i>	<i>\$1,588,307</i>

Even with cuts in both FY 2002 and 2003, the annual Legislative commitment to open space preservation still averages nearly \$1.3 million over the life of the program.

*Quality Growth
Commission awards
grants*

The Legislature created the Quality Growth Commission to help local governments in planning, to advise the state on matters impacted by growth and to manage the CLCF grant program. Since 1999 the QGC authorized 31 grants totaling \$8.7 million. Partners in open space preservation contributed nearly five dollars for every dollar of state money appropriated through the CLCF.

Average State Grant Dollars Per Acre		
	2002	2003
Rural	\$186.13	\$188.12
Urban	\$486.67	\$446.83
Total	\$261.84	\$253.04
Leverage of Outside Funding v. State Funds		
	2002	2003
Rural	\$5.46 to 1	\$5.40 to 1
Urban	\$4.35 to 1	\$4.54 to 1
Total	\$4.94 to 1	\$5.02 to 1
Average Total Dollars per Acre		
	2002	2003
Rural	\$1,202.00	\$1,204.00
Urban	\$2,601.26	\$2,474.08
Total	\$1,554.51	\$1,522.78
<i>Source: Quality Growth Commission Annual Report</i>		

Overall more than \$52 million has been committed to preserve 33,500 acres of open space. A full report of QGC activity can be found on their website at <http://governor.utah.gov/quality/update2002web.pdf>.

CLCF: Projects Funded 1999-2003					
Year	Urban Projects	Grant	Match	Total Cost	Acreage
1999	2	\$922,000	\$4,072,000	\$4,994,000	7339
2000	8	\$1,747,165	\$8,531,890	\$10,279,055	870.485
2001	3	\$849,096	\$1,090,300	\$1,939,396	177.16
2002	4	\$595,412	\$4,179,942	\$4,775,354	66.11
2003	4	\$346,000	\$1,455,316	\$1,801,316	57.63
Total Urban Funded:		\$4,113,673	\$17,874,132	\$21,987,805	8,452.755
Year	Rural Projects	Grant	Match	Total Cost	Acreage
1999	3	\$1,057,050	\$3,096,050	\$4,153,100	496.56
2000	3	\$812,500	\$2,810,400	\$3,622,900	5794.89
2001	6	\$2,517,000	\$17,521,132	\$20,038,132	17155.24
2002	2	\$285,200	\$2,071,000	\$2,356,200	1653.32
2003	3	\$258,475	\$1,715,000	\$1,973,475	1780
Total Rural Funded:		\$4,671,750	\$25,498,582	\$30,170,332	25,100.01
Year	Total Projects	Grant	Match	Total Cost	Acreage
1999	5	\$1,979,050	\$7,168,050	\$9,147,100	7835.56
2000	11	\$2,559,665	\$11,342,290	\$13,901,955	6665.375
2001	9	\$3,366,096	\$18,611,432	\$21,977,528	17332.4
2002	6	\$880,612	\$6,250,942	\$7,131,554	1719.43
2003	7	\$604,475	\$3,170,316	\$3,774,791	1837.63
Total Funded:		\$9,389,898	\$46,543,030	\$55,932,928	35,390.395

3.2 Utah Navajo Trust Fund – Annual Report¹

The Department of Administrative Services provides administrative support for the trust fund administration, but does not direct the activities of the office or the administration of the trust.

Trust Fund revenues come from 37.5 percent of the net oil royalties (12.5%) from the Aneth Extension of the Navajo Nation. The fund is administered by a six-member staff and Board of Trustees composed of the State Treasurer, the Director of the Division of Finance and a state officer or employee appointed by the Governor with the advice and consent of the Senate.

The Board of Trustees reviews and approves the Trust Fund budget as prepared by the Trust Administrator. Utah Code Annotated 63-88-102 requires the State Auditor to conduct an annual audit and deliver the report to statutory committees, state offices and two federal offices.

Beginning Fund balance on April 1, 1992 was \$9,648,585 and \$20,481,938 on June 30, 2002. The balance as of June 30, 2003 was \$20,522,000 un-audited.

Since the last report to the Legislature, the Board has acted on the following major items:

1. Committed \$150,000 of funding toward the construction of the Monument Valley Vendor Village. This is being matched with \$300,000 from the Navajo Nation Abandoned Mines and Lands funds, \$157,500 from 4CEC, \$150,000 from Navajo Nation Tourism Department, \$100,000 from the Navajo Revitalization Fund and \$150,000 from Navajo Nation Capital Improvements Office.
2. Provided match-funding along with Navajo Revitalization totaling \$1.1 million in state funds with \$1 million of Navajo Nation Capital Improvements funds, which leveraged \$4.7 million of total funds for 14 projects on the Navajo reservation in Utah. Also obtained grant funds of \$125,000 from Navajo Housing Authority.
3. Provided \$698,804 of educational grants and scholarships to Navajo students in FY 2003 and an estimated \$645,000 in FY 2004.
4. Allocated Chapter Project funds in the amount of \$500,000 in FY 2003 and allocated \$500,000 in FY 2004. These funds are allocated to chapters by using population figures.
5. Allocated FY2004 funds for the following categories:
 - \$10,000 for equipment purchase or repair
 - \$10,000 for Surplus Property
 - \$25,000 for Emergency Funds
 - \$20,000 for Navajo Community Fairs & Events
 - \$125,000 for Health Facility Improvements
 - \$15,000 for Home-site Archeological Clearances
 - \$5,000 for Adult Enrichment
 - \$105,000 in Veteran's Housing Funding

¹ This section provided by the Utah Division of Finance.

6. Placed Olympic Homes for 34 clients in 6 separate communities using funding from several different resources. Plan to place another 20 manufactured homes on the Navajo Reservation in all 7 communities within the next 6 months.
7. Authorized \$168,692 for a new medical and dental clinic in Navajo Mountain. Matching funds were from Utah Navajo Health Systems, and Navajo Revitalization Funds.

4.0 Additional Information: Division of Finance - Mandated Expenditures

	2001	2002	2003	2004	2005
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	4,890,800	3,458,500	482,600	482,600	482,600
General Fund, One-time		(200)			
Uniform School Fund		37,200			
Transportation Fund		500			
Transfers		(165,000)			
Beginning Nonlapsing	1,000,000	628,100			
Closing Nonlapsing	(628,000)	(207,300)			
Lapsing Balance		(50,700)			
Total	\$5,262,800	\$3,701,100	\$482,600	\$482,600	\$482,600
Programs					
800 MHz Conversion	1,740,800	1,663,000			
Information Technology Infrastructure In	772,000				
LeRay McAllister Critical Land Conserva	2,750,000	2,037,200	482,600	482,600	482,600
Annual Leave Conversion		900			
Total	\$5,262,800	\$3,701,100	\$482,600	\$482,600	\$482,600
Expenditures					
Current Expense	1,740,800	1,663,000			
DP Capital Outlay	772,000				
Other Charges/Pass Thru	2,750,000	2,038,100	482,600	482,600	482,600
Total	\$5,262,800	\$3,701,100	\$482,600	\$482,600	\$482,600
FTE/Other					

*Non-state funds as estimated by agency.

1.0 Summary: Post Conviction Indigent Defense Fund

The Post Conviction Indigent Defense Fund pays attorney fees for the automatic appeals for individuals convicted of capital crimes. The program was managed by the Attorney General's office for a period of time but was moved into this line item to avoid the appearance of a conflict resulting from the AG prosecuting individuals while directly funding their defense. Funds are housed in the Division of Finance for administrative purposes only.

	Analyst FY 2005 Base	Analyst FY 2005 Changes	Analyst FY 2005 Total
Financing			
Beginning Nonlapsing	332,600		332,600
Closing Nonlapsing	(258,600)		(258,600)
Total	\$74,000	\$0	\$74,000
Programs			
Post Conviction Indigent Defense Fund	74,000		74,000
Total	\$74,000	\$0	\$74,000
FTE/Other			

2.0 Issues: Post Conviction Indigent Defense Fund

The *Post Conviction Indigent Defense Fund* provides a source of money for death row inmates to pay legal expenses. Attorneys may apply for reimbursement under an administrative rule that establishes appropriate fees for the program. In recognizing that the program averaged just over \$29,000 per year in expenditures, the Legislature redirected General Fund for this program to other needs. The program should be able to continue with carry-forward balances in FY 2005.

Other Inmate Funds

The Division manages two accounts that are similar to the Post Conviction fund. These programs are funded by participating counties with statutory language for legislative consideration of any shortfall.

The *Indigent Inmate Defense Fund* is for inmates convicted of crimes while in prison. Sanpete County uses the program for inmates accused of crimes committed at the state prison in Gunnison. No other counties participate in the program at this time.

The *Indigent Capital Defense Fund* provides money to defend indigents charged with capital crimes in participating counties. The Division of Finance assesses the twenty-four participating counties annually and will be able to manage the fund in FY 2005 without state assistance.

3.0 Programs: Post Conviction Indigent Defense Fund

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
Beginning Nonlapsing	470,400	406,600	332,600	(74,000)
Closing Nonlapsing	(406,600)	(332,600)	(258,600)	74,000
Total	\$63,800	\$74,000	\$74,000	\$0
Expenditures				
Current Expense	63,800	74,000	74,000	
Total	\$63,800	\$74,000	\$74,000	\$0
FTE/Other				
*Non-state funds as estimated by agency				

The *Post Conviction Indigent Defense Fund* provides a source of money for death row inmates to pay legal expenses. In recognizing that the program averaged just over \$29,000 per year in expenditures, the Legislature redirected General Fund for this program to other needs. The program should be able to continue with carry-forward balances in FY 2005.

Post Conviction Expenditures	
FY 1999	\$17,000
FY 2000	23,000
FY 2001	22,300
FY 2002	27,400
FY 2003	63,800
FY 2004 (projected)	21,400
Total	\$174,900
<i>Avg. Expenditure</i>	<i>\$29,150</i>

Source: Utah Division of Finance Data Warehouse

Current year expenditures are \$10,700 – which projects to \$21,400 for all of FY 2004. Even if expenditures rise to the program's current year estimate of \$74,000, the nonlapsing balance in the program should be sufficient to meet FY 2004 and FY 2005 expenditures. However at some point in the future the program's carry forward balance will run out, requiring additional funding for the program. Until that occurs, the Analyst recommends continuation of funding from nonlapsing authority which will require the following intent language:

It is the intent of the Legislature that funds for the Post Conviction Indigent Defense Fund shall not lapse.

4.0 Additional Information: Post Conviction Indigent Defense Fund

	2001	2002	2003	2004	2005
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	120,000	85,100			
Beginning Nonlapsing	315,000	412,700	470,400	406,600	332,600
Closing Nonlapsing	(412,700)	(470,400)	(406,600)	(332,600)	(258,600)
Total	\$22,300	\$27,400	\$63,800	\$74,000	\$74,000
Programs					
Post Conviction Indigent Defense Fund	22,300	27,400	63,800	74,000	74,000
Total	\$22,300	\$27,400	\$63,800	\$74,000	\$74,000
Expenditures					
Current Expense	22,300	27,400	63,800	74,000	74,000
Total	\$22,300	\$27,400	\$63,800	\$74,000	\$74,000
FTE/Other					
*Non-state funds as estimated by agency.					